



Saskatchewan
Agriculture
and Food

Farm & Food Report

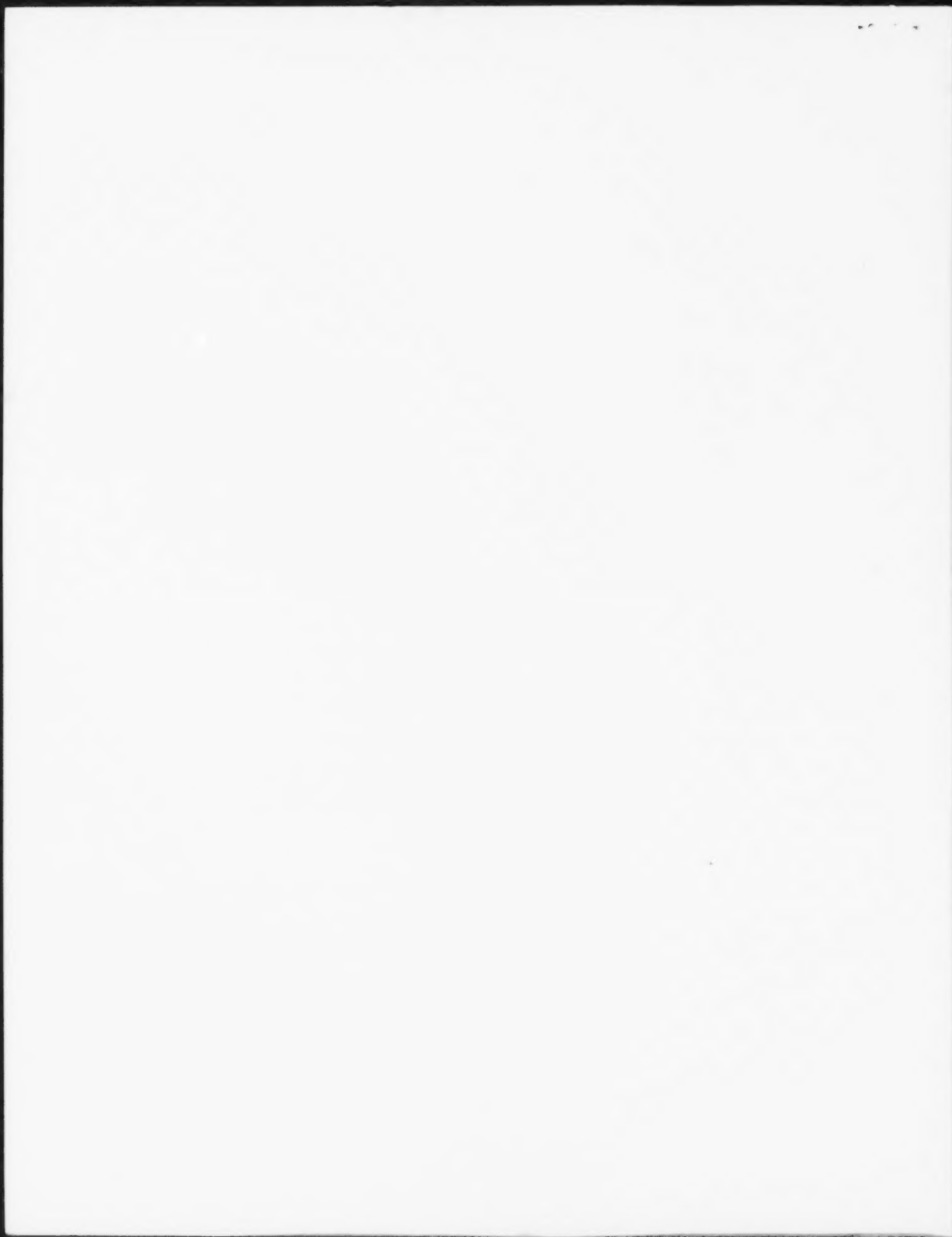
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Saskatchewan

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Log Number: 07-07-31
Week of February 12, 2007

RURAL SASKATCHEWAN A PERFECT FIT FOR PET FOOD MANUFACTURER

A pet food manufacturer that set up shop in small-town Saskatchewan is proving that you don't need to locate your business in a big city to be successful.

Horizon Pet Nutrition officially opened its brand new, state-of-the-art production plant in Rosthern on September 6, 2006. General Manager and owner Jason Skotheim says the company is already starting to build a reputation for the quality of its product.

"We've been on the shelf for a few months now, and we're seeing increases in sales, so it's all good news," Skotheim stated.

"Our pet food stacks up with some of the best names in pet food out there. We're using nothing but the best ingredients that we can find. So it's a very high quality food, and I think people are starting to realize that. We're getting very good response back from consumers."

Horizon is currently focusing on producing pet food for companion animals, such as dogs and cats. The company produces a frozen raw product, and also has an extrusion line for manufacturing a dry kibble product.

Skotheim says that Saskatchewan ingredients figure prominently in Horizon's popular pet food mixtures. "We took a look at the raw products we had in a very close radius of our plant, and we thought we could make some of the best pet food around just with these top-quality ingredients," he said.

"Probably 99 per cent of what goes into our food comes from Western Canada, over 80 per cent from right here in Saskatchewan."

Among the products currently used in Horizon's pet food are fresh de-boned chicken, chicken meal, hullless barley, hullless oats and rye. In the future, the company may expand its line to include beef ingredients, depending on rulings in the United States, which is being eyed by the company as a key market for growth.

(more)

Skotheim had nothing but praise when asked about operating a manufacturing business in rural Saskatchewan. "It's really been fantastic. We were looking for a community that would embrace us and invite us in to set up our operation. The town saw this as an opportunity to bring in more industry and more jobs, and the whole community has been very supportive," he said.

"The Rosthern area fits well with us, because a lot of our ingredients are things that are grown very close to here, and there's some industry. We're using as much local production as we absolutely can. Our focus is to actually use more production, or even work with some of the growers around here to be producing specifically for us."

Horizon currently operates with four full-time and two part-time employees, but if the popularity of its product keeps growing, Skotheim believes it is only a matter of time before additional staff will be required to keep pace with demand.

Most of the company's product is marketed to specialty pet outlets through High Mountain Feed Distributors of Calgary. "Our pet food is now available in over 50 retail outlets from Victoria, B.C., to Selkirk, Manitoba, and we're in the process of signing up others," Skotheim noted.

In Saskatchewan, Horizon pet food can be found in stores in Regina, Saskatoon, Prince Albert, Tisdale and Rosthern. Skotheim says the company is always eager to expand its customer base here in the province.

"We'd love to hear from Saskatchewan retailers who might be interested in giving our product a try," he said.

Retailers can learn more about Horizon pet food by calling Jason Skotheim at (306) 232-4240, visiting the company's website at www.horizonpetfood.com, or contacting High Mountain Feed Distributors in Calgary at 1-800-661-6788.

Pet owners interested in trying the product can also find a listing of Saskatchewan outlets currently carrying Horizon pet food on the company's website.

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HERB AND SPICE INDUSTRY LOOKING TO BOOST VALUE-ADDING

A conference entitled "Upping Your Value Proposition" will showcase best practices for herb and spice producers in Saskatchewan. The conference will be held February 28 at the Radisson Hotel in Saskatoon, after being postponed due to the blizzard that hit the province in early January.

Saskatchewan Herb and Spice Association (SHSA) Executive Director Connie Kehler said, "One of the things we've seen is that businesses in Saskatchewan need help to do things differently. We've got some really good success stories here, and it's about time we started hearing about them and learning from them."

The conference is jointly sponsored by the herb and spice association and the Saskatchewan Trade and Export Partnership (STEP). STEP President and CEO Dale Botting will present information to the conference about his agency's new programs and services to support agriculture.

"Our partnership with STEP has shown us that both of our organizations are respected nationally and internationally," said Kehler. "We are both from Saskatchewan, and we are out to support production and capture more value."

Conference sessions will include commercial success stories, such as InfraReady, Pine View Farms and Prairie Berries Inc. Representatives from those businesses will also make themselves available for one-on-one consultative sessions.

Kehler says that an important focus of the meeting will be the so-called "copy cat syndrome," where many producers rush into planting crops that are perceived to be in demand, and prices are driven down.

"We want to talk about developing unique ideas for new production, and we're always asking what value can be added here in Saskatchewan," Kehler stated.

The SHSA represents producers, processors and manufacturers of herbs, spices and natural health products. The organization is also the home office for the Canadian Herb, Spice and Natural Health Production Coalition. The SHSA will hold its annual meeting during the lunch break at the seminar.

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Kehler says the conference is open to any producer or entrepreneur who is looking for new ideas and inspiration. Anyone interested can obtain more information at the association's website, www.saskherbspice.org, or by calling (306) 694-4622.

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Week of February 12, 2007

NEW DIRECTOR OF CROP DEVELOPMENT CENTRE FAMILIAR TO SASKATCHEWAN

"I'm happy as pie!" Those were the words of Dorothy Murrell, commenting on her appointment as Managing Director of the Crop Development Centre (CDC) at the University of Saskatchewan.

She started her new position on January 1 of this year.

"I'm still on the very steep slope of the learning curve here," said Murrell. "The competence among the staff, the collaborative relationships and work with industry and grower groups is a real breath of fresh air."

The CDC was established by Saskatchewan's agriculture department and the National Research Council in 1971. Its mission is to increase the diversification of crops and their products by improving existing varieties, creating new uses for traditional crops, and introducing new crops.

Murrell comes to the CDC with an impressive resume in the seed industry. Her most recent posting was as North American Business Manager for Svalof Weibull Seed Ltd. Prior to that, she was Production and Corporate Sales Manager for Newfield Seeds of Nipawin.

Those private sector postings followed experience as a forage seed specialist with Saskatchewan Agriculture and Food.

She is the president of the Canadian Seed Trade Association, and a past board member of Saskatchewan Trade and Export Partnership.

"What I'm finding is that my current relationships with external partners are easily transferred to this new role," Murrell said. "The CDC has great cachet with grower groups in the province, which is well-deserved."

While it is too early to say what her own vision for the centre is, Murrell is very conscious of the improvements to so-called traditional crops such as wheat, barley, flax, oats and the pulse crops that have originated with the CDC.

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"I think it's incredibly important to do the work that's being done, to continue to look for opportunities within these crops. The position of the Crop Development Centre is to make sure that we are world leaders in those crops," said Murrell.

She and her staff at the CDC are also looking at the changing environment and new markets that will call for new developments.

"This whole bio-fuels initiative has become so interesting. We have wheat breeding here which can feed into the process," she noted.

Regardless of the project focus, Murrell says she is simply happy to be in Saskatchewan, contributing to the advancement of the province's agricultural industry.

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GRASSHOPPER NUMBERS EXPECTED TO BE LOW FOR 2007

Early indications project that Saskatchewan is in for a relatively light year on the grasshopper front.

That appears to be the overall trend outlined in the 2007 Grasshopper Forecast map developed by Saskatchewan Agriculture and Food (SAF) and the Saskatchewan Crop Insurance Corporation (SCIC). The map estimates that the general risk to cereal crops will be "none to very light" across most of Saskatchewan this year.

The predictions are based on adult grasshopper populations observed during a 2006 fall survey conducted by SCIC field personnel. The survey included approximately 1,150 sites, and attempted to determine the number of adult grasshoppers potentially capable of reproduction and egg-laying.

This information was then used to provide an estimate of eggs that could survive the winter and hatch the following spring, presenting a potential risk to crops for the 2007 growing season.

The warm, dry weather Saskatchewan experienced last summer and fall was conducive to an increase in grasshopper numbers; however, SAF Insect and Pest Management Specialist Scott Hartley said the grasshoppers are still recovering from past crop seasons that significantly reduced their overall population.

"Their population had already been decimated by two very poor years for grasshoppers, and it requires a rebuilding process," he noted. "As a result, they're starting from a smaller base."

"The biggest single factor yet to be determined will be environmental conditions come spring," he explained. "A number of factors will come into play, but it all revolves around what that springtime climate is going to be like."

Although the province-wide prognosis looks favourable, Hartley says there are still pockets to watch out for.

"Areas in both the southeast and southwest were identified with a few light infestations that could develop into something more serious. An area of moderate risk is also indicated near Fox Valley in the southwest," he stated.

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"Producers also need to be extra careful on crops that are more vulnerable, because they take lower numbers of grasshoppers to cause a problem," Hartley added. "On lentils, for example, even a count as low as two grasshoppers per square metre can cause economic damage. Flax is another crop in which, as green bolls develop, even a low number of grasshoppers can impact the yield."

Hartley emphasized that the grasshopper forecast and map does not provide a definitive field-by-field projection, and farmers will still need to monitor for grasshopper populations as the year progresses.

"Overall, I think the grasshopper forecast is generally good news. The populations are much lower, so we don't expect it to be a huge issue," he said. "But there are some isolated areas to watch out for, where the numbers could be sufficient to do economic damage."

The 2007 Grasshopper Forecast map can be found on the SAF website at www.agr.gov.sk.ca. Updates on the status of grasshopper populations in Saskatchewan will also be available during the production season through the SAF Agriculture Knowledge Centre at 1-866-457-2377.

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AUSTRALIAN QUARANTINE: BE AWARE, AND BE CLEAN

It's hard to believe that a single blade of grass could cost thousands of dollars – but in the strictly controlled world of exporting agricultural equipment to Australia, it's a reality.

Sanitation is a big issue for a large number of Saskatchewan implement manufacturers who ship their products to Australia. They have found out that cleanliness is essential for any goods to be accepted into the country. It's a fact that especially hits home around this time of year, when a lot of Saskatchewan equipment begins the long trip Down Under.

Because of Australia's unique geography as an island continent, it has a self-contained ecosystem that is extremely sensitive to outside influences. A seed carried in the smallest piece of soil on a machine or an insect in a piece of bark on a wooden crate has the potential to disrupt the delicate eco-balance of the entire country. As a result, everything coming in is subject to quarantine.

The agency that oversees the quarantine regulations is the Australian Quarantine and Inspection Service, or AQIS.

Jerry Beler, with Beler International Forwarding in Regina, has experience in this area, and says that even the crates or packing must meet strict specifications.

"They look for any lumber used in loading, blocking or bracing," he said. "That wood has to meet some strict standards to ensure that there are no problems with pests being imported into Australia. Timber requires the proper markings, including the temperature at which the lumber was kiln-dried. That temperature is 56 degrees Celsius for a minimum of 30 minutes. Bark is totally not allowed."

Beler says, of course, that any soil or plant material must be removed.

"Containers are to be totally free of any kind of straw packing or any soil of any kind. Agricultural machinery also requires declarations stating that it is new and has not been field-tested. If it has been field-tested, then it comes under other requirements where, again, it cannot contain any seed, solid straw or anything like that," Beler explained.

Richard Aspinall with Agrimex Importers and Exporters from Dysart says used equipment often has to be completely stripped down and cleaned.

(more)

"Dust collects in various parts of a machine. This builds up and builds up, even in just a fine layer on something like a wiring harness. Out of a 20-foot length of harness, you can wind up with a big pile of soil," stated Aspinall.

Aspinall says you need a very keen eye and lots of patience to get a machine truly clean. "For example, in a seed metering mechanism, there are lots of places where a seed can be caught up in nooks and crannies."

A compressor and a steam cleaner are just some of the tools of the trade, but a profound attention to detail is a strong asset.

"You need a wire brush for the tires. Tires can have tiny cuts in the rubber, and you can get soil contamination in those cuts, so you've got to wire-brush the tire to remove any soil particles," said Aspinall.

A full cleaning, he noted, can take up to a week-and-a-half, but while this may sound like an incredible amount of work just to be able to ship a piece of equipment to Australia, Aspinall says the margins still work.

"There are not many manufacturers in Australia, and there is a strong market for producers to upgrade what are considered older machines here," he explained.

It can get pretty pricey if a container is found to be contaminated on the shores of Australia. "I've been told the worst-case scenario is that they put the thing back in the container and send it back to where it came from, at the sender's expense," said Aspinall.

However, both Beler and Aspinall say that, with a little preparation, all of the conditions can easily be satisfied.

"Manufacturers can meet these requirements. You just need to work it into your process right from the beginning," stated Beler.

Manufacturers interested in exporting product to Australia are encouraged to contact Saskatchewan Trade and Export Partnership (STEP) at (306) 787-9210 for more information.

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